

# **LANE RENTAL**

## *Guidelines*

### **Introduction**

Lane rental consists of charging the Contractor an hourly rental fee for occupying lanes and shoulders to do the contract work. Designers specify different rental rates for nighttime and daytime hours, peak hours and non-peak hours, single lane closures, and multiple lane closures. This encourages the Contractor to work when lane rental rates are lower and also to be more productive when lanes are closed.

UDOT uses a bid item for lane rental costs. This eliminates the necessity for the Contractor to spread the cost of lane rental fees over other items of work. Similarly, to avoid negative cash flow to the Contractor, the rental fee collection is made against the amount bid for the lane rental item and only charges in excess of the total lump sum bid are made against moneys otherwise due the Contractor.

Lane rental can be used by itself or in conjunction with A+B Bidding or I/D provisions on the same project. If the intent is to shorten the total project duration, A+B bidding should be used. If the intent is to minimize traffic flow impacts, lane rental should be used. Both may be used on the same project for different phases or operations.

Lane rental is similar to A+B bidding in that the Contractor must estimate the time it will take to complete the work during bid preparation and then bid on the time.

- ☐ For A+B, the Contractor bids consecutive days x daily user cost = B portion of the bid.
- ☐ For Lane rental, the Contractor bids the sum of lane or shoulder closure hours x hourly user cost = bid for LANE RENTAL..

For A+B, once the Contractor starts the B portion work, it must be completed within the consecutive days bid. Lane rental is only charged during the times the lanes are impacted by the contractors operation.

### **GUIDELINES FOR DEVELOPING LANE RENTAL PROVISIONS**

#### **1. Project Selection**

Lane rental can be used when you want to encourage the contractor to minimize the length or duration of lane or shoulder closures for construction activities. It is also used to encourage the contractor to close lanes or shoulders during times of lower impact to the public. If there are times when you absolutely don't want the contractor to close lanes, specify those conditions in the limitation of operations rather than trying to use lane rental. concepts. Examples of operations that could benefit from lane rental include pavement joint repair,

paving or operations that require short lane closures at multiple sites such as replacing overhead signs on high traffic roads.

## **2. Project Development**

Significant thought must be given to the desired goals of the project. All variations of lane closures must be considered when writing the provision. Some examples of things to consider are; single lane closures, double lane closures, shoulder closures, night time verses day time closures, closures on weekends, holidays or other special events. Designers should consider the number of lanes and/or shoulders to close, the length of each closure and the time periods when closures will be allowed. For example, Designers must consider if it is appropriate to charge a lane rental fee for a lane closure and not for a shoulder closure. Can work be performed on the shoulder without impacting traffic, or should the shoulder work be performed with the adjacent lane closed? What length lane or shoulder closure will be allowed? .

When establishing contract time, consider the hourly time restrictions placed on the Contractor to complete the work. If the Contractor is given a choice to work daily off-peak hours and nighttime hours in the contract, the contract completion date should not be set so tightly that the Contractor has to work every day and every night just to complete the work on time. If the intent is to do most of the work at night, sufficient time must be allowed. If the intention is for quick project completion, A+B bidding should be used instead of Lane Rental.

## **3. Determination of Lane Rental amount**

It is very important to determine the proper rental rate for each configuration allowed in the contract. These rates should be less than or equal to the user costs associated with the impact. Sometimes the user cost is so great that the rental rate becomes so large that the contractor may have to bid unreasonable contingencies. This can result in an unacceptably high contract bid price. Care should be taken to adjust the rental rate down to a reasonable value in those cases.

Rental rates are typically determined by multiplying the estimated delay time by the number of vehicles delayed multiplied by an hourly value of the person and vehicle. It is necessary to complete a delay analysis for each situation. There are two programs available to assist Regions in estimating user costs. They are “Delay User Cost” (DUC), developed for UDOT by BYU and “Delay E”, written by Martin Knopp and made available for use to UDOT.

. Rental rates can be established by the day, the hour or some increment of an hour. Consider the impact on documentation efforts and administering the contract when determining the proper time increment for lane rental. Too long of increment may not provide proper incentive for contractor to open lanes timely. Too short of increment may be very difficult to administer.

There may be times when it is desirable to encourage the contractor to limit the length of the lane closures. A way to do this is to add “length” to the rental calculation. The calculation would then be number of lanes closed multiplied by the length of the closure

multiplied by the time the lanes are closed. The unit that would describe the rental rate would be lane-mile-day. This is particularly useful for projects that can extend for long distances in a given day such as paving operations etc.

#### **4. Special Provision Consideration**

If lane rental, Time plus Cost, or Incentive/Disincentive for early completion, are used in the same contract, the contract must be structured so that any damages assessed to the contractor can be justified and are not duplicating each other.

The special provisions referenced below should be carefully modified to fit the needs of the specific project and incorporated into all projects utilizing Lane Rental.

#### **Required Special Provisions**

- Section 0022S (Lane Rental)
- Section 00515M (Award and Execution of Contracts)
- Section 00555M (Prosecution and Progress)
- Section 00570M (Definitions)